

Promoting Clean Jobs and Neighborhood Change

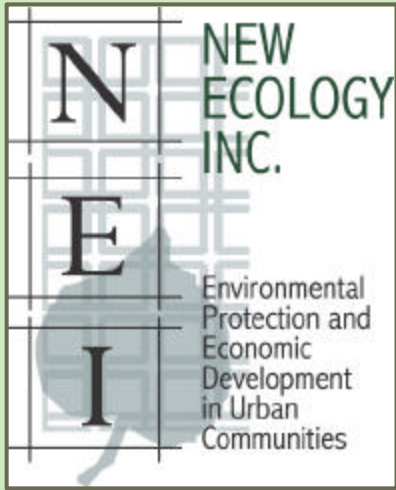
Where's The Money? Grants, Economic Development Packages, CRA and Tax Breaks



Presented by:

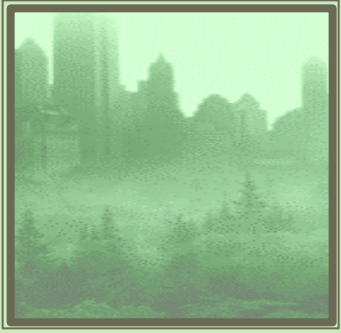
***Edward F. Connelly
President
New Ecology, Inc.***

September 18, 2004



New Ecology, Inc.

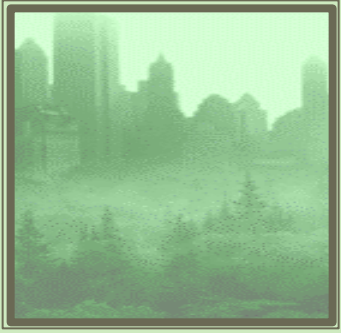
- ❖ **New Ecology, Inc. (NEI) is an environmental non-profit organization that promotes sustainable urban development**
- ❖ **NEI uses law, planning and advocacy to help a variety of partners implement development projects that are economically viable and socially and environmentally responsible.**



Potential Sources of Capital for Non-Traditional Ventures

Types of Ventures:

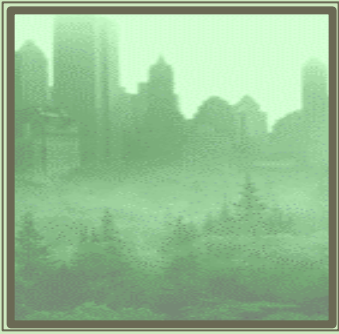
- ❖ **Non-traditional ownership structures**
- ❖ **High risk operations**
- ❖ **Unusual or untested enterprises**
- ❖ **Social ventures that are not primarily profit motivated**



Potential Sources of Capital for Non-Traditional Ventures

Another way to say it:

***Risk/Reward profile does not give
banks, venture capitalists or other
traditional funders a warm and fuzzy
feeling***



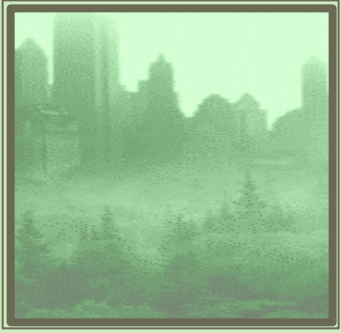
Caveats

It is someone else's money

It is a business venture

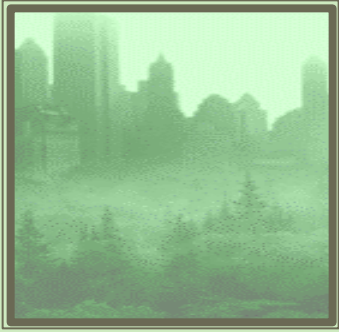
You probably won't be able to raise much money unless you demonstrate a likelihood of success.

- ❖ **A well-developed project**
- ❖ **A business plan with 3 year pro-formas**
- ❖ **Management to make it work**
- ❖ **Viable structure**



Ground Rules

- 1. Leave no stone left unturned.***
- 2. Don't be afraid to ask.***
- 3. Boost your credibility through partners.***



Potential Sources of Equity

Grants:

Foundations

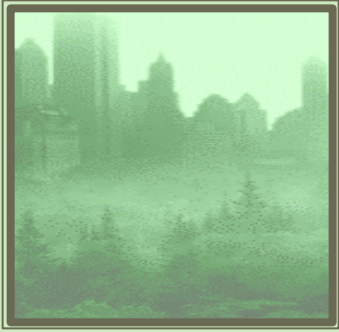
***Government (competitive and pork, local
state and federal)***

Wealthy Individuals

Corporations

Institutions (Hospitals/Univ.)

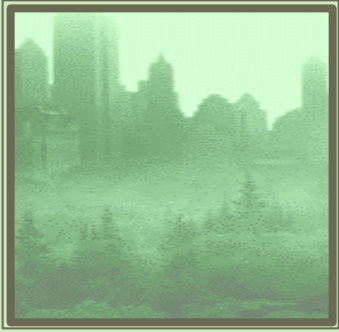
CDBG



Potential Sources of Equity

“Social” Venture Funds

Examples: Conservation Law Foundation, Boston Community Capital, Investor’s Circle, Sustainable Jobs Fund

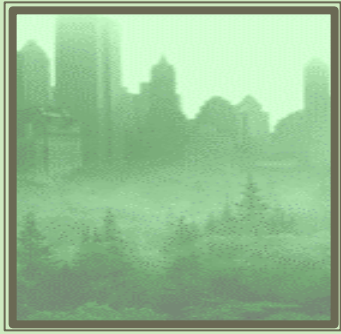


Potential Sources of Equity

Tax Credit Investors:

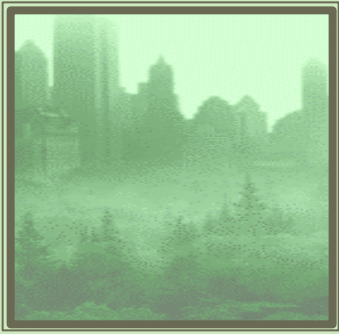
State and Federal

New Market, Historic, etc.



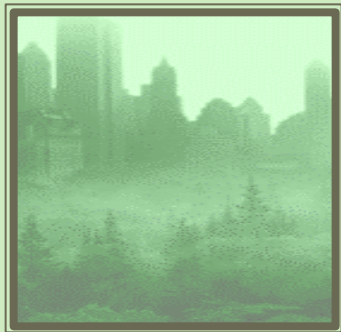
New Market Tax Credits

39% Credit over 6 years



Potential Sources of Debt

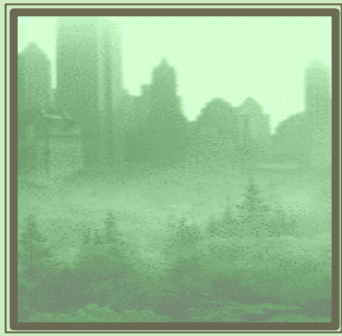
- ❖ CDFI Funds e.g. LISC, BCC, Enterprise Fdn, Coop Fund of NE
- ❖ Government Loan Funds
- ❖ Guaranteed Bank Loans (SBA/Institutional)



17 Gordon Avenue

Green Building/Small Business Incubator





The Project



Site purchased in 1999; then vacant; owner interested in community development

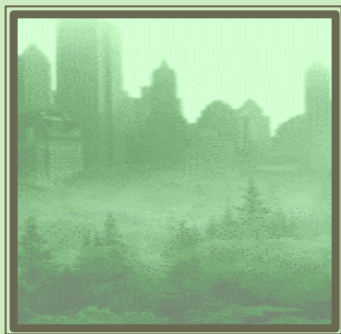
Green building concept explored through charrettes-multiple partners involved 2000

Incubator conceived 2000

Fundraising 2000-2003

Construction 2002-2003

Opening November 2003



17 Gordon Avenue Funding Partners

Total Project Cost: **\$2,721,500**

Federal **\$1,093,000**

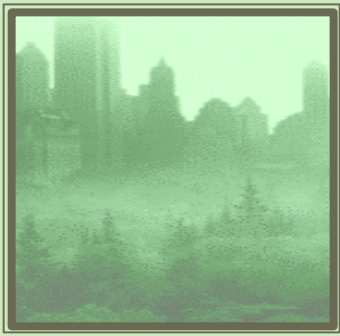
- ❖ RI Department of Environmental Management/US EPA
- ❖ US Department of Commerce, Economic Development Administration

State/Local **\$1,318,500**

- ❖ City of Providence CDBG
- ❖ City of Providence Bond Funds
- ❖ Providence Economic Development Corporation
- ❖ Rhode Island State Senate
- ❖ The Providence Plan
- ❖ Rhode Island Housing and Mortgage Finance Corporation
- ❖ RI Renewable Energy Fund

Private **\$ 310,000**

- ❖ Rhode Island Builders Association
- ❖ Fleet Bank
- ❖ Gilbane Building Company
- ❖ Narragansett Electric Company
- ❖ Cox Communications
- ❖ Providence Gas Company

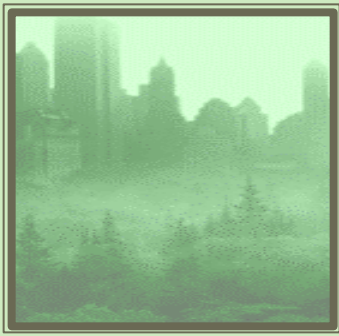


CleanScape, Inc.

A Model For Community Economic Development



**Combining Environmental Stewardship,
Job Creation, & Viable Business Opportunity**

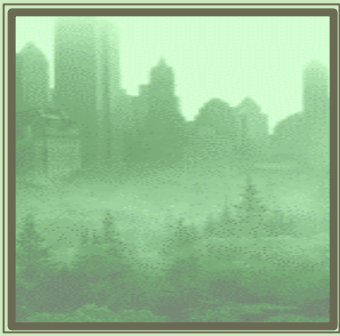


The Reasons for Starting CleanScape

Community Economic Development: Create wealth, jobs and opportunity for residents of the Enterprise Community

Environmental:
fill the need for high-quality, comprehensive business recycling services





CleanScape Funding Partners

Total Funds Raised: \$ 2,150,818

Debt Financing \$700,000

- ❖ RI Economic Development Corporation
- ❖ Providence Economic Development Corporation
- ❖ Fleet Bank/Lifespan
- ❖ Cooperative Fund of New England
- ❖ St. Joseph's Health Services
- ❖ SPDC Revolving Loan Fund
- ❖ Conventional equipment leases

Equity Financing \$1,450,818

- ❖ Women & Infants' Hospital
- ❖ Lifespan
- ❖ The Providence Plan
- ❖ US DHHS, OCS
- ❖ US HUD VA
- ❖ Rhode Island Foundation
- ❖ Jesse Smith Noyes Foundation
- ❖ Private Family Foundations
- ❖ RI Resource Recovery Corporation
- ❖ Catholic Campaign for Human Development
- ❖ City of Providence, CDBG
- ❖ City of Providence, EDA training
- ❖ RI Human Resource Investment Council
- ❖ Providence Journal Foundation